

## Q1 2021 PRODUCTION REPORT

### PRODUCTION AND COSTS IN LINE WITH GUIDANCE

**Antofagasta plc CEO, Iván Arriagada said:** *“Antofagasta’s production and cost performance in the first quarter was in line with guidance with copper production at 183,000 tonnes and net cash costs at \$1.16/lb.*

*“Labour negotiations were successfully concluded at Los Pelambres and no further negotiations are scheduled at our mining operations until next year.*

*“In March, Chile entered a second wave of COVID-19 infections as the number of cases in Chile accelerated, reaching record daily cases since the outbreak of the pandemic. As a result, countrywide lockdowns have been reinstated with the availability of critical hospital infrastructure under significant pressure. In addition to the health measures we introduced last year we have further reduced our on-site workforce and these actions have allowed us to continue to operate our mines and projects under these challenging conditions. Additional testing has been introduced throughout the Group while the full benefit of the country’s successful vaccination programme is expected to be realised later in the year. We also remain committed to supporting our local communities and suppliers, and contributing to the social and economic recovery of Chile.*

*“The copper market continues to perform strongly, and we expect this to continue as structural supply and demand dynamics support a tight physical market. In the meantime, we maintain our focus on cost control and disciplined capital allocation.*

*“Production, cost and capital expenditure guidance for the full year is unchanged, assuming no additional nationwide restrictions are imposed due the pandemic.”*

## HIGHLIGHTS

### PRODUCTION

- **Copper production in Q1 2021 was in line with guidance at 183,000 tonnes**, 5.7% lower than in the same quarter in 2020 and 5.0% lower than in Q4 2020 mainly due to expected reduced grades at Los Pelambres
- **Gold production was 59,100 ounces in Q1 2021**, 9.2% lower than in the same period in 2020 and 8.0% higher than in 4Q 2020, mainly due to changes in grade at Centinela
- **Molybdenum production in the quarter was 3,000 tonnes**, an increase of 600 tonnes compared to the same period in 2020 due to higher recoveries at Centinela, and 700 tonnes lower than in Q4 2020

### CASH COSTS

- **Cash costs before by-product credits in Q1 2021 were \$1.68/lb**, 17c/lb higher than the same period last year due to the decrease in production, the stronger Chilean peso and the impact of the payment of a one-off signing bonus following the completion of labour negotiations at Los Pelambres
- **Net cash costs were \$1.16/lb in Q1 2021**, compared to \$1.10/lb in Q1 2020 and \$1.14/lb in the previous quarter, reflecting the increase in cash costs before by-product credits, partially offset by the higher by-product credits

## GUIDANCE 2021

- Full year guidance assumes COVID-19 restrictions will remain in place for all of 2021. However, because of the new wave of COVID-19 cases and the nationwide lockdown imposed in late March, major maintenance at Los Pelambres originally planned for Q2 and which requires a large number of additional workers on-site is under review so that some of the non-critical activities can be rescheduled to later in 2021
- With the drought in central Chile now in its 12<sup>th</sup> year, Los Pelambres has implemented several operational changes during Q1 aimed at preserving water availability in anticipation of what could be a delayed start to the winter rainfall. While rainfall in 2020 was slightly higher than 2019, which itself was one of the worst years on record, the water balance in 2021 will reflect the cumulative impact of another year of drought. Los Pelambres will continue to regularly review projected water availability for the year under different scenarios and a sustained focus on optimising water usage will remain key, and in the second half 2022 we will complete the desalination plant
- In Q1, the growth projects at Los Pelambres, Centinela and Zaldívar progressed according to their revised plans with the COVID-19 health protocols fully integrated into their execution plans. Given the more extensive lockdown imposed since late March a further reduction in the number of on-site workers at Los Pelambres has been implemented in April and, at this stage, this is not expected to have an impact on the projects' schedules or costs
- Despite the above, and the stronger than expected Chilean peso, full year guidance is unchanged at 730-760,000 tonnes of copper at a net cash cost of \$1.25/lb and capital expenditure of \$1.6 billion
- Production in the second half of the year is expected to be slightly stronger than in the first half
- Earlier this month Los Pelambres submitted the EIA for the expansion of the desalination plant to 800 l/s, and for various sustaining capital expenditure projects, including the replacement of the concentrate pipeline and other infrastructure

GROUP PRODUCTION AND CASH COSTS		Year to Date			Q1	Q4	
		2021	2020	%	2021	2020	%
Copper production	kt	183.0	194.0	(5.7)	183.0	192.6	(5.0)
Copper sales	kt	182.8	195.3	(6.4)	182.8	202.2	(9.6)
Gold production	koz	59.1	65.1	(9.2)	59.1	54.7	8.0
Molybdenum production	kt	3.0	2.4	25.0	3.0	3.7	(18.9)
Cash costs before by-product credits <sup>(1)</sup>	\$/lb	1.68	1.51	11.3	1.68	1.63	3.1
Net cash costs <sup>(1)</sup>	\$/lb	1.16	1.10	5.5	1.16	1.14	1.8

(1) Cash cost is a non-GAAP measure used by the mining industry to express the cost of production in US dollars per pound of copper produced.

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## MINING OPERATIONS

### Los Pelambres

Los Pelambres produced 84,900 tonnes of copper in Q1 2021, 9.0% lower than in the same quarter last year and 6.2% lower than the previous quarter, mainly driven by lower grades.

Molybdenum production in Q1 2021 increased to 2,600 tonnes from 2,400 in Q1 2020, due to higher molybdenum grades.

Gold production for the quarter was 14,300 ounces, 3.4% lower than the same period last year.

Cash costs before by-product credits at \$1.46/lb in Q1 2021 were 18.7% higher than in the same quarter in 2020 due to the decrease in production, the stronger Chilean peso, and the payment of a one-off signing bonus following the successful completion of labour negotiations which increased costs by approximately 2c/lb for the full year. Compared to the previous quarter, costs increased by 7.4%, again on the decrease in production and the impact of a one-off signing bonus.

Net cash costs in Q1 2021 increased by 2c/lb compared to Q1 2020 to \$0.84/lb reflecting higher cash costs before by-product credits partially offset by by-product credits increasing from 41c/lb to 62c/lb on higher molybdenum production and higher realised prices. Compared to the previous quarter net cash costs increased by 5.0%.

The Los Pelambres Expansion project was 47.9% complete (engineering, procurement and construction) as at the end of the quarter.

LOS PELAMBRES		Year to Date			Q1	Q4	
		2021	2020	%	2021	2020	%
Daily ore throughput	kt	164.5	163.9	0.4	164.5	167.8	(2.0)
Copper grade	%	0.67	0.72	(6.9)	0.67	0.67	0.0
Copper recovery	%	89.1	90.0	(1.0)	89.1	90.3	(1.3)
Copper production	kt	84.9	93.3	(9.0)	84.9	90.5	(6.2)
Copper sales	kt	80.7	98.2	(17.8)	80.7	97.1	(16.9)
Molybdenum grade	%	0.021	0.017	23.5	0.021	0.023	(8.7)
Molybdenum recovery	%	85.3	84.4	1.1	85.3	85.1	0.2
Molybdenum production	kt	2.6	2.4	8.3	2.6	3.0	(13.3)
Molybdenum sales	kt	2.6	2.1	23.8	2.6	3.3	(21.2)
Gold grade	g/t	0.048	0.045	7.2	0.048	0.049	(1.1)
Gold recovery	%	68.1	75.7	(10.0)	68.1	74.5	(8.6)
Gold production	koz	14.3	14.8	(3.4)	14.3	16.6	(13.9)
Gold sales	koz	12.9	13.3	(3.0)	12.9	16.7	(22.8)
Cash costs before by-product credits <sup>(1)</sup>	\$/lb	1.46	1.23	18.7	1.46	1.36	7.4
Net cash costs <sup>(1)</sup>	\$/lb	0.84	0.82	2.4	0.84	0.80	5.0

(1) Includes tolling charges of \$0.14/lb in Q1 2021, \$0.15/lb in Q4 2020, and \$0.20/lb Q1 2020

## **Centinela**

Total copper production in Q1 2021 at Centinela was 66,800 tonnes, 0.5% higher than in the same quarter in 2020. Compared to the previous quarter, copper production decreased by 4.6% on lower throughput at both Centinela Concentrates and Centinela Cathodes.

Copper in concentrates production was 45,300 tonnes in Q1 2021, 3.9% higher than in Q1 2020 as the concentrate plant operated at above design capacity for the second consecutive quarter, which was partially offset by lower grades and recoveries. Compared to the previous quarter, copper in concentrate decreased by 2.8% on slightly lower throughput.

Production of copper in cathodes fell 6.1% compared to Q1 2020. This was primarily due to expected lower grades and recoveries, despite higher throughput.

Gold production was 44,900 ounces in Q1 2021, 10.7% lower than in the same period last year due to lower gold grades and recoveries, partially offset by higher throughput, and 18.2% higher than in Q4 2020 as grades and recoveries increased.

Cash costs before by-product credits in Q1 2021 were \$1.78/lb, the same as in Q1 2020. Compared to the previous quarter costs decreased by 1.1% primarily on the impact of a one-off signing bonus in Q4 2020 partially offset by lower production.

Net cash costs in Q1 2021 were \$1.12/lb, some 5c/lb lower than in the same quarter last year due to by-product credits increasing from 61c/lb to 66c/lb on higher molybdenum production and realised prices. Compared to the previous quarter net cash costs decreased by 5.1%, or 6c/lb reflecting the lower cash costs before by-product credits and higher by-product credits.

CENTINELA		Year to Date			Q1	Q4	
		2021	2020	%	2021	2020	%
<b>CONCENTRATES</b>							
Daily ore throughput	kt	106.4	91.1	16.8	106.4	108.0	(1.5)
Copper grade	%	0.60	0.64	(6.3)	0.60	0.59	1.7
Copper recovery	%	84.2	89.3	(5.7)	84.2	82.9	1.6
Copper production	kt	45.3	43.6	3.9	45.3	46.6	(2.8)
Copper sales	kt	45.1	43.0	4.9	45.1	45.1	0.0
Molybdenum grade	%	0.010	0.007	42.9	0.010	0.015	(33.3)
Molybdenum recovery	%	39.5	11.1	255.9	39.5	44.6	(11.4)
Molybdenum production	kt	0.4	0.1	300.0	0.4	0.7	(42.9)
Molybdenum sales	kt	0.4	0.1	300.0	0.4	0.9	(55.6)
Gold grade	g/t	0.22	0.27	(18.5)	0.22	0.18	22.2
Gold recovery	%	71.9	75.7	(5.0)	71.9	68.9	4.4
Gold production	koz	44.9	50.3	(10.7)	44.9	38.0	18.2
Gold sales	koz	42.6	50.4	(15.5)	42.6	34.9	22.1
<b>CATHODES</b>							
Daily ore throughput	kt	56.9	53.6	6.2	56.9	58.0	(1.9)
Copper grade	%	0.59	0.64	(7.8)	0.59	0.64	(7.8)
Copper recovery	%	66.4	69.7	(4.7)	66.4	65.1	2.0
Copper production – heap leach	kt	20.4	21.5	(5.1)	20.4	22.3	(8.5)
Copper production – total <sup>(1)</sup>	kt	21.5	22.9	(6.1)	21.5	23.4	(8.1)
Copper sales	kt	21.8	22.2	(1.8)	21.8	26.1	(16.5)
Total copper production	kt	66.8	66.5	0.5	66.8	70.0	(4.6)
Cash costs before by-product credits <sup>(2)</sup>	\$/lb	1.78	1.78	0.0	1.78	1.80	(1.1)
Net cash costs <sup>(2)</sup>	\$/lb	1.12	1.17	(4.3)	1.12	1.18	(5.1)

(1) Includes production from ROM material

(2) Includes tolling charges of \$0.19/lb in Q1 2021, \$0.14/lb in Q4 2020, and \$0.13/lb Q1 2020

## Antucoya

Antucoya produced 20,200 tonnes of copper in Q1 2021, equal to the same quarter last year as a 9.7% increase in throughput was offset by lower grades and consequentially lower recoveries. Production decreased by 6.5% compared to Q4 2020 on lower grades and recoveries.

During the quarter, the cash costs were \$1.96/lb, a 4.8% increase compared to the previous quarter. This was mainly due to lower grades.

ANTUCOYA		Year to Date			Q1	Q4	
		2021	2020	%	2021	2020	%
Daily ore throughput	Kt	80.6	73.5	9.7	80.6	79.5	1.4
Copper grade	%	0.35	0.41	(14.6)	0.35	0.39	(10.3)
Copper recovery	%	69.1	75.9	(9.0)	69.1	75.3	(8.2)
Copper production	Kt	20.2	20.2	0.0	20.2	21.6	(6.5)
Copper sales	Kt	22.9	18.3	25.1	22.9	22.8	0.4
Cash costs	\$/lb	1.96	1.78	10.1	1.96	1.87	4.8

## Zaldívar

Copper production at Zaldívar was 11,100 tonnes in Q1 2021, a 20.7% decrease compared with the same period last year on lower grades and recoveries. Production increased by 4.7% compared to Q4 2020 as throughput returned to levels achieved earlier in 2020.

Cash costs at \$2.30/lb in Q1 2021 rose by 2.2% compared to the previous quarter primarily due to lower grades. Compared to Q1 2020 costs increased by 64c/lb on lower grades and lower recoveries.

ZALDÍVAR		Year to Date			Q1	Q4	
		2021	2020	%	2021	2020	%
Daily ore throughput	kt	42.2	42.2	0.0	42.2	34.8	21.3
Copper grade	%	0.88	0.99	(11.1)	0.88	0.99	(11.1)
Copper recovery <sup>(1)</sup>	%	48.8	61.3	(20.4)	48.8	50.1	(2.6)
Copper production – heap leach <sup>(2)</sup>	kt	9.0	11.0	(18.2)	9.0	8.0	12.5
Copper production – total <sup>(2,3)</sup>	kt	11.1	14.0	(20.7)	11.1	10.6	4.7
Copper sales <sup>(2)</sup>	kt	12.4	13.5	(8.1)	12.4	11.1	11.7
Cash costs	\$/lb	2.30	1.66	38.6	2.30	2.25	2.2

(1) Restated from average over full leach cycle to 12-month rolling recoveries

(2) Group's 50% share

(3) Includes production from secondary leaching

## Transport Division

Total transport volumes in Q1 2021 were 1.5 million tonnes, 6.2% lower than in the same quarter last year and 7.2% lower than in Q4 2020 mainly due to the impact of sea swells affecting port access and customers' lower copper production and sulphuric acid consumption.

TRANSPORT		Year to Date			Q1	Q4	
		2021	2020	%	2021	2020	%
Rail	kt	1,216	1,221	(0.4)	1,216	1,255	(3.1)
Road	kt	309	405	(23.7)	309	390	(20.7)
Total tonnage transported		1,526	1,626	(6.2)	1,526	1,645	(7.2)

## Commodity prices and exchange rates

		Year to Date			Q1	Q4	
		2021	2020	%	2021	2020	%
<b>Copper</b>							
Market price	\$/lb	3.85	2.56	50.4	3.85	3.25	18.5
Realised price	\$/lb	4.26	2.02	110.9	4.26	3.67	16.1
<b>Gold</b>							
Market price	\$/oz	1,800	1,584	13.6	1,800	1,875	(4.0)
Realised price	\$/oz	1,708	1,605	6.4	1,708	1,901	(10.2)
<b>Molybdenum</b>							
Market price	\$/lb	11.3	9.7	16.5	11.3	9.0	25.6
Realised price	\$/lb	13.3	9.8	35.7	13.3	9.8	35.7
<b>Exchange rates</b>							
Chilean peso	per \$	724	804	(10.0)	724	762	(5.0)

Spot commodity prices for copper, gold and molybdenum as at 31 March 2021 were \$4.01/lb, \$1,688/oz and \$11.1/lb respectively, compared with \$3.51/lb, \$1,891/oz and \$10.0/lb as at 31 December 2020 and \$2.18/lb, \$1,607/oz and \$8.4/lb as at 31 March 2020.

The provisional pricing adjustments for copper, gold and molybdenum for the quarter were positive \$169.0 million, negative \$7.1 million and positive \$12.8 million respectively.